

**CONFIDENTIAL**

June 6, 1961

Gentlemen:

This letter is written to explain and supersede our letters of March 27 and May 12, 1961 concerning progress and expenditures on our job.

The status report of March 27 showed that as of March 27 we had expended \$10,072 on the contract. This sum is larger than the contract amount. As explained in the letter, we realize this expenditure above the contract amount was improper, but it was occasioned by temporarily lax purchasing procedures due to a change in purchasing personnel. This overrun represents largely some purchased parts for nine units each of the AP-3 and PS-10 supplies. We have these parts now in stock but because of the change in scope recently requested of us and described in our letter of May 12, many of these parts are no longer usable due to the redesign necessary to accomplish the change in scope.

Also, as a result of the change of scope, additional funds will be necessary to accomplish the new technical requirements and to complete fabrication of the remaining units. We respectfully request, therefore, that the contract be amended to allow for the expenditure above the contract amount made prior to the change of scope, plus the additional funds required for the change in scope. The breakdown is as shown on the accompanying chart. The new revised total cost is \$16,697.00 and the revised total fee is \$1,252.00.

Very truly yours,

ORIGINAL CL BY 235979  
☐ DECL ☒ REVW ON 12/03/2010  
 EXT BYND 6 YRS BY SAME  
 REASON 3 d (3)



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Vice President

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Encl.

DOC	<u>17</u>	REV DATE	<u>12 MAR 1960</u>	BY	<u>064540</u>
ORIG COMP	<u>056</u>	OPI	<u>56</u>	TYPE	<u>01</u>
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May 12, 1961

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Our estimated increase in costs and fee due to this increase in scope of the contract are as follows:

	<u>AP-3</u>	<u>PS-10</u>
<b>Development</b>		
<b>Electrical Engineering:</b>		
		50X1
<b>Mechanical Engineering:</b>		50X1
		50X1
<b>Drafting:</b>		50X1
<b>Sub-total</b>		
<b>Engineering Dept. Overhead @ 10%</b>		
<b>Production</b>		
<b>Materials (increase)</b>		
<b>Total Direct Costs</b>		
<b>General &amp; Admin. Overhead @ 15%</b>		
<b>Total Costs</b>		
<b>Fixed Fee @ 7-1/2%</b>		
<b>Total Costs &amp; Fee</b>		
<b>Additional costs AP-3</b>		
<b>Additional costs PS-10</b>		
<b>Additional fee on Revised Cost Proposal of</b>		
<b>March 24, 1961 due to change in scope</b>		
<b>Total additional cost</b>		<b><u>\$4136.75</u></b>

To accomplish these changes we request an extension of time to allow us 45 days from the date of approval of this request.

Very truly yours,

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Vice President